



Charlotte Business INClusion Update



Economic Development Committee Meeting
January 12, 2017



Agenda



FY16 MWSBE Year-End Achievements

- Direct Prime Discretionary Spending
- Subcontractor Spending
- Education and Outreach Efforts
- MWSBE Vendor Analysis



What Goals Do We Set?



Prime Contracting Goal:

- Establish annual citywide aspirational prime MWSBE discretionary spending goal.
- Based on MWSBE availability in the City's vendor database and capacity to support the spend opportunity.
- FY16 Goal: 12%



Subcontracting Goal:

- Establish project specific MWSBE subcontracting goals.
- Based on project subcontracting scopes and MWSBE availability.
- MWSBE utilization is monitored by departments with each pay affidavit submitted by the prime contractor.



2



FY16 Spending with City Certified MWSBEs

Direct Prime Discretionary Spending with City Certified MWSBEs on City Funded Contracts

| | Spending with certified MWSBEs | Work Category | Spend \$ |
|----------------------------------|-----------------------------------|----------------------------|----------|
| Spending Opportunities Available | \$196.6M* | Architecture & Engineering | \$5.4M |
| Total Spending with MWSBEs | \$41.0M | Construction | \$22.5M |
| FY16 Goal: 12% | 20.88% | Goods / Commodities | \$2.1M |
| | | Other Services | \$9.0M |
| | | Professional Services | \$2.0M |

- In FY16, the City exceeded the 12% established MWSBE Prime Spend Goal, achieving 20.88%
- The largest MWSBE spending occurred in Construction, with \$22.5M.

*Dollars representing those purchases and contracts where there was MWSBE availability in the City's vendor database and MWSBE capacity to support the spend opportunity.

3



FY15-FY16 MWSBE Year End Results Prime Spend

Direct Prime Discretionary Spending with City Certified MWSBEs on City Funded Contracts

| | FY15 (July 1 – June 30, 2015) | FY16 (July 1 – June 30, 2016) |
|--|---|---|
| Total Available MWSBE Opportunity Spending | \$211.6M* | \$196.6M* |
| Total MWSBE Spending Achievements | \$27.1M | \$41.0M |
| FY15 Goal: 10% FY16 Goal: 12% | 12.82% | 20.88% |

- FY16 MWSBE Prime Spending represented a \$13,929,911 or 51% increase over FY15.
- MWSBE Prime Spend Goals under consideration in Economic Development Focus Area Plan:
 - FY17: 14%
 - FY18: 16%

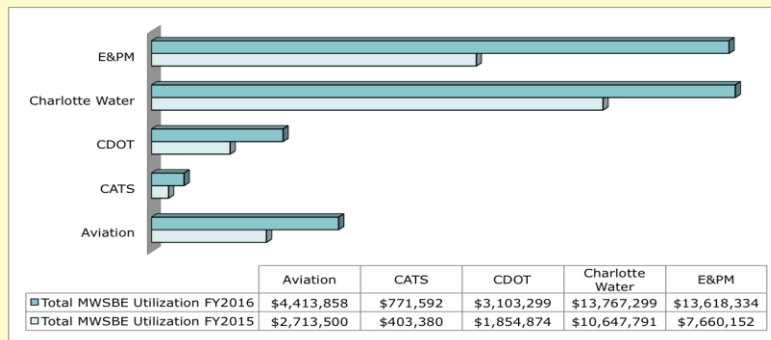
*Dollars representing those purchases and contracts where there was MWSBE availability in the City's vendor database and MWSBE capacity to support the spend opportunity.

4



FY15-FY16 MWSBE Spend Comparison

MWSBE Spend by City's Top 5 Spend Departments



- All five of the City's top spend departments increased their spending with MWSBEs in FY16 over FY15.
- E&PM achieved the most significant increase, spending \$5.9M more with MWSBEs in FY16, representing a 78% increase over FY15.

5



FY15-FY16 MWSBE Year End Results Prime Spend by Race/Ethnicity/Gender

| Certified MWSBE Vendor Ownership | FY15 Year End Spend (July 1 – June 30, 2015) | FY16 Year End Spend (July 1 – June 30 2016) |
|---|---|--|
| African American | \$3,387,056 | \$4,443,145 |
| Hispanic | \$675,853 | \$1,313,818 |
| Asian | \$264,301 | \$568,301 |
| Native American | \$230,562 | \$706,853 |
| Non-Minority Female | \$8,534,000 | \$7,056,178 |
| Non-Minority Male | \$14,026,621 | \$26,960,010 |
| | \$27,118,393 | \$41,048,305 |

- SBE certified non-minority males earned the highest spending in FY16 with \$26,960,010.
- Non-minority females realized second highest spending with \$7,056,178.
- African-American owned firms achieved the highest spending among all minority groups with \$4,443,145.

6



FY16 Subcontractor Spending

| Department | Total Subcontractor Spend | Total MWSBE Spend (\$) | MWSBE Spend (%) |
|-----------------------------------|----------------------------------|-------------------------------|------------------------|
| Aviation | \$12,332,493 | \$4,945,947 | 40% |
| Charlotte Water | \$15,855,738 | \$4,522,080 | 29% |
| Transportation | \$64,434 | \$42,748 | 66% |
| Engineering & Property Management | \$16,272,777 | \$13,447,068 | 83% |
| TOTAL | \$44,525,441 | \$22,957,843 | 52% |

- 212 MWSBEs participated as subcontractors on city-funded projects in FY16.
- Prime contractors reported payments to MWSBE subcontractors totaling \$22,957,843.

7



Construction Projects Closed in FY16

| Department | Projects Closed | Total Contract Amount (\$) | MSBE Spend (\$) | MSBE Spend (%) |
|-----------------|-----------------|----------------------------|---------------------|----------------|
| Aviation | 11 | \$56,082,289 | \$11,671,138 | 20.81% |
| Charlotte Water | 3 | \$2,949,328 | \$163,362 | 5.54% |
| CDOT | 1 | \$343,599 | \$38,081 | 11.10% |
| E&PM | 21 | \$38,528,645 | \$5,788,367 | 15.02% |
| TOTAL | 36 | \$97,903,801 | \$17,660,948 | 18.04% |

- 94% of projects closed met or exceeded established subcontracting goals.
- 72% exceeded established subcontracting goals by more than 25%
- 31% exceeded established subcontracting goals by more than 50%

8



Education and Outreach Efforts

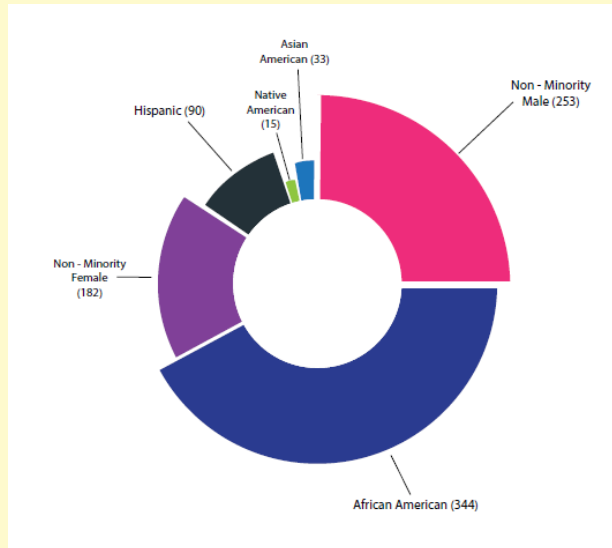


- **Professional Association Outreach:** Participate in monthly community partner membership meetings and events.
- **Targeted MWSBE Recruitment:** Partner with City departments and community organizations to recruit new MWSBEs, particularly in work categories with low MWSBE availability.
- **Job Estimating Education:** Provide job estimating and blueprint reading assistance to MWSBEs.
- **Site Visit Outreach:** Conduct construction project visits to monitor MWSBE subcontractor participation and build stronger relationships with primes and MWSBEs.
- **Spanish Speaking Workshops:** Participated in a series of workshops to inform community about contracting opportunities with the City and MWSBE certification.
- **MWSBE Stakeholder Survey:** Launched a stakeholder survey to gain insight on CBI Program and community needs.
- **CBI Newsletter:** Publish monthly e-newsletter.

9



Certified MWSBEs By Race, Ethnicity and Gender

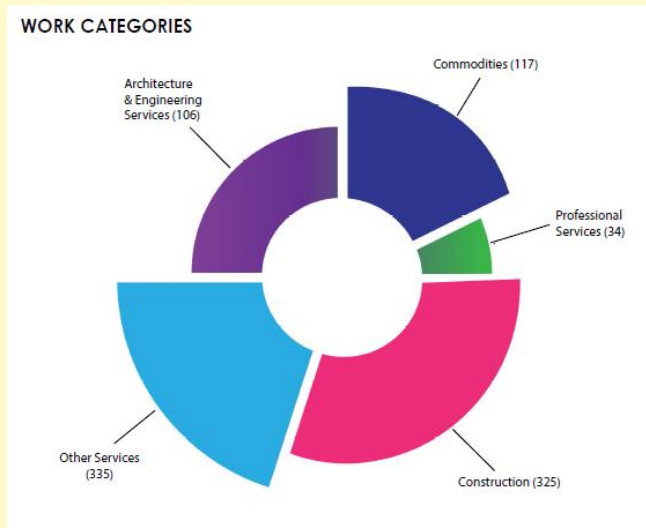


- 917 total MWSBEs
- 72% headquartered in Mecklenberg County
- 53% owned by minorities

10



Certified MWSBEs By Work Category



- **36%** of MWSBEs provide **services**, such as catering, janitorial, and landscaping.
- **35%** of MWSBEs are certified in **construction** related fields.

11